... ...NG AND TRANSMITTAL SLIP | Date

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. EO/DDA	AW	8 OCT 1982
2. A/DDA	Q	12 OCT 1982
3. DDA		
4.		
5.		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

(cys of DDA 82-2231)
are in Registry.
10/28/82 —   BA
DDCI said OS not to be
reorganized at this time per
D/OS.

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FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
	Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7–76)
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FPMR (41 CFR) 101-11.206

☆ GPO : 1981 0 – 341-529 (120)

7 October 1982

82-2733/7

82-2231/1

MEMORANDUM FOR: DDA

FROM   : Executive Director

SUBJECT   : Office of Security Organization

REFERENCE   : Your memo to the DDCI, same subject, dated 14 September 1982

Harry:

1. While still IG, with regard to recommended organizational and procedural changes in the Office of Security, I said that, having raised certain suggestions, I wouldn't press for further second guessing you on management. If, after reviewing workload processing, field office locations, etc. yourself, you decided not to make immediate changes, that was your decision. You said you intended to visit some field offices, talk to new and middle level personnel and get a direct feel for some of the management issues which OS either rejected or rationalized.

2. Subsequently I learned that John, as Executive Director, had asked that OS be reorganized by 1 October. And still later, as DDCI, he told me that he still expected to see OS reorganized and that, as the current ExDir, realization of it was mine to ensure. I have not passed to him your package in which you seek his affirmation of the validity of the present office organization. He is aware of its existence and of Jim Glerum's support of your position, based on the PMCD review and conclusions concerning the Personnel Security and Investigations (PSI) Directorate that "all of the division functions are interrelated within the personnel clearance process" and that it should not be split. His unambiguous reaction was that he looked for reorganization.

3. What I tried to say before, and try again now, is that, while many DD/PSI functions are related, they are also quite diverse, including investigation, adjudication, polygraph, counterintelligence and security support. Without further discussing span of command, I felt that investigative functions should be separated from adjudicative functions, both as a matter of principle as well as sound management. The IG report findings were not based on a simplistic look at numbers of positions in PSI but were arrived at after intensive interviewing of OS personnel in all of the units over a period of a year-long survey. The report made the point, which is still valid, that there was compelling need for more attention and management control over investigations, polygraph processing and adjudication because of dramatically increasing workloads and security vulnerabilities.

4. I would ask that you look particularly at Option III in the package which Bill gave you, reflecting possible realignments which he considered last April. Beyond its focusing individualized management attention on improving efficiency in the investigative and adjudicative functions, it acknowledges that

the existing functions of the Policy and Management (P&M) Directorate of OS
are largely staff or support-type functions and appropriately places them
under an Executive Officer. Bill might also consider a modification of
Option III that would put the External Activities Branch under the DD/
Personnel Security, since its functions are non-investigative (see
attached).

5. Of course restructuring can cause temporary pain. But it can also
serve to revitalize and bring about constructive change. I think it's worth
a try.

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Page Denied

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ROUTING AND RECORD SHEET

82-820

SUBJECT: (Optional)

Office of Security Organization

FROM:
Harry E. Fitzwater
DDA
7D-18 HQS

EXTENSION

NO.

DATE

25X1

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. D/OP 5E-58 HQS	15 SEP 1982		b	1-3/5 Based on both PMCD findings and continuing direct personal observation, I strongly endorse the DDA's recommendation. TR
2. I G				
3. ExDir 7D-55 HQS				
4.				
5. DDCI 7D601				
6.				
7.				
8.				
9.				
10. DDA 7D-18				
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Unclassified when separated from Classified Attachment(s)

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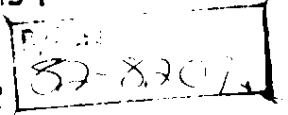1-79

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82-2231

82-2732/8

14 SEP 1982

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Executive Director
                  Director of Personnel

FROM: Harry E. Fitzwater
                  Deputy Director for Administration

SUBJECT: Office of Security Organization   25X1

1. Action Requested: That you affirm the validity of
the existing organization structure of the Office of Security.

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2. Background: The Inspector General's report on the
Office of Security submitted in September 1981 included a recom-
mendation that "the Director of Security prepare an organization
plan for the DDA with options for realigning security functions
and reducing managerial layers." In response, the Director of
Security set forth several options for possible realignment in a
memorandum of 2 April 1982 (Attachment 1). On 9 April 1982, I
addressed a memorandum (Attachment 2) to the then DDCI through
you in your capacity of Executive Director recommending that a
decision concerning realignment be deferred in view of organi-
zational changes already made and because a pending Position
Management and Compensation Division (PMCD) audit might be
pertinent to a decision. PMCD action has been completed and
the Director of Personnel has advised major reorganization
will not be recommended (Attachment 3). You may wish to seek
details of the PMCD review from the Director of Personnel and
his counsel as an official who has considerable interaction
with the Office of Security and is in a good position to com-
ment on the effectiveness of the component, particularly in the
personnel security area.   25X1

3. Staff Position: After another review of the several
options offered concerning reorganization and study/evaluation of
possible benefit, I continue to support a conclusion arrived at
in April 1982 that the internal changes made in the Office of
Security represent managerial adjustment sufficient to negate
identified organizational deficiencies. Any major reorganization

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would focus on the functional directorate dedicated to Personnel
Security and Investigations (PSI); this in reaction to a per-
ception that the approximately 350 people within PSI represent
a disproportionate percentage of Office of Security manning and,
by virtue of size, may not be suitable for "single manager"
direction. I do not necessarily share this perception. There
is merit in the concept of effective management by the grouping
of related functions, a philosophy supported in the instant
matter by PMCD findings and the following:

> ° The management of PSI is not overburdened and the
> manning table is deceptive in that it does not reflect
> the realities of field office operations. ____ Office   25X1
> of Security employees assigned to PSI are in ____   25X1
> field offices and work under the supervision of Special
> Agents in Charge, all at the GS-15 level or above. In
> terms of managerial control, the situation is similar
> to and compares favorably with the Directorate of
> Operations field stations.

> ° As the former Director of Personnel, I am familiar
> with the effectiveness of PSI in support of security
> screening of applicants and security monitoring of
> employees. My experience with PSI management in
> implementing and staffing such programs as preprocess-
> ing security screening is consistent with effective
> direction.

> ° In my present position, I am afforded quarterly
> briefings on the key personnel security programs,
> including processing. There is no indication of
> problems relating to managerial control in any aspect
> of the discipline.

> ° The PSI program, as an integrated entity, is the
> central nervous system for all personnel security
> activities. Such activities are closely interwoven
> and interdependent. Dividing responsibilities would
> dismember a monolithic entity to no good purpose.

> ° Any realignment would split responsibilities and,
> within the context of disruption of a well-ordered
> command structure, would create more problems than
> it would solve. As examples, separating the investi-
> gative and adjudicative functions or the polygraph
> and counterintelligence functions would, in either
> instance, create administrative roadblocks to the
> mutual support and easy interface which now exist.

> ° The existing structure has received strong
> customer support.

° Dividing PSI responsibility is not consistent with the current division of labor within the Office of Security; i.e., three major components charged to deal with related functions in the areas of personnel security, facility security and security policy. This is regarded as a logical and sensible system and has been so described over the years by components dealing with the Office of Security.

I am persuaded by the weight of evidence and PMCD findings that there should be no major overhaul or significant reorganization of the Office of Security, other than changes already implemented. Further, I am convinced that the Director of Security will effect appropriate reorganization in the future as required. He shares my awareness that the application of technology as a management tool or a dramatic increase in tasking associated with such areas as computer security or operational support could lead to organizational change. Should you wish to meet and discuss these conclusions, please be assured I will be happy to do so at your convenience.

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4. <u>Recommendation</u>: It is recommended that you approve continuation of Office of Security activities under the current table of organization.

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Harry E. Fitzwater

Harry E. Fitzwater

Attachments

SUBJECT: Office of Security Organization

CONCUR:

_____/s/_____   1̇ ̇ ̇_____
Director of Personnel   Date

_____   _____
Executive Director   Date

APPROVED:

_____   _____
Deputy Director of Central Intelligence   Date

25X1

_____   _13 Sept 1982_____
Director of Security   Date

Distribution:
    Orig - Return to DDA
       1 - DCI
       1 - DDCI
       1 - ExDir
       1 - D/OP
       1 - ER
       1 - D/Security
       1 - DDA Registry

2 A PR 1982

MEMORANDUM FOR: Deputy Director for Administration

FROM: 25X1

Director of Security

SUBJECT: Recommendation #1, Office of Inspector General
                Inspection Report - Office of Security (1981)

REFERENCE: Memorandum to D/Security from DDA, dated
                23 February 1982 (DDA 82-0024/11)

1. In referenced memorandum, you requested that this Office
prepare some options for your consideration regarding the
possible realignment of security functions. In response to this
request, this Office has taken the following actions:

        a. A Senior Panel was formed within the
    Office of Security. This panel considered a
    number of wide-ranging reorganizational options
    developed by the staff, several of which were
    rejected for various reasons after a brief
    analysis.

        b. The panel considered four organizational
    options in detail, in addition to the option of
    retaining the present structure. While I am
    convinced that any major reorganization of the
    Office at this time would not be beneficial, I
    would like to describe these four new options
    briefly and, although they may be workable, show
    why none is considered an improvement over the
    current organization. Organizational charts
    depicting these four options are attached to this
    memorandum.

2. The options for change are briefly described below:

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a. The first option would leave the Directorate of Policy and Management and the Directorate of Physical, Technical and Area Security intact and divide the existing Directorate of Personnel Security and Investigations into two Directorates; one for Investigation and Operational Support and one for Personnel Security. The Investigation and Operational Support Directorate would consist of elements of the existing Security Support Division, a new unit that would schedule all investigative action, and all Field Offices. The Personel Security Directorate would be comprised of the existing Clearance Division (to include the Reinvestigations Branch), the Polygraph Division, and the Security Analysis Group. While this arrangement would achieve a measure of parity in the number of personnel assigned to the functional directorates, it complicates the organizational structure, separates related line functions, and reverts to a system that was changed in favor of the present organization.

b. The second option also would leave the Directorates of Physical, Technical and Area Security, and Policy and Management unchanged and result in a split of the Personel Security and Investigations Directorate functions. This Directorate would be separated into functional Directorates, one for Adjudication and Investigation and the other for Personnel Security. Adjudication and Investigation would consist of the Field Offices and the Clearance Division. Personnel Security would include the existing Security Support Division, Polygraph Division, and the Security Analysis Group. The structure reflects the philosophy that investigation and adjudication essentially are part of the same process and that "personnel security" involves support and continued monitoring of eligibility for security clearance. In this sense, it represents a limited alignment of homogeneous functions; but it creates a new directorate, and removes the Polygraph Division from the management control of the clearance processing manager.

c. The third option would retain three functional directorates and would create the positions of Executive Officer and Chief, Management Staff, with supervision of "service" components; i.e., policy and plans, compartmentation, security education, personnel, finance and

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logistics. The Physical, Technical and Area Security Directorate would remain intact. The Personnel Security and Investigations Directorate would be split into a Directorate for Investigation and Operations and a Directorate for Personnel Security. The Investigation and Operations Directorate would include the Polygraph Division and an Investigation and Support Division consisting of the Field Offices, the Operational Support Branch, and the External Activities Branch. The Personnel Security Directorate would be comprised of the Security Records and Clearance Divisions, the Security Analysis Group, and the Information Review Group. The Registry and Records Management Officer function would be transferred to the Security Records Division. Separating the polygraph and field investigative functions from the case handling process, however, breaks the natural command chain between the clearance desk and the field offices, which is a serious disadvantage.

d. The fourth option eschews the functional directorate concept in favor of operational and functional responsibility and activity. The Physical, Technical and Area Security Directorate, under the umbrella of Security Survey Operations, essentially would remain intact. The Policy and Management Directorate redesignated the Administration Group, would lose the components charged with recordkeeping, review required by the Privacy and Freedom of Information Acts, and compartmentation-related activities. Reporting directly to the Office Director are the line managers of field office operations, personnel security operations, security survey operations, administration and information resource management. With some variation in group placement, organization of the first four areas follows the proposals discussed above. The area of information resource management combines the units that store, process, review, and release information. The units perform somewhat disparate functions, and it may be premature to consolidate them because the major benefit of such a move would follow full implementation of automatic data processing systems that are not yet operational. The approach, however, would expand the number of line managers of functional areas reporting directly to the Office Director.

3. Each of the new options described above share some serious common disadvantages. For example, they would:

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- Eliminate the "single manager" concept by placing the clearance adjudicative functions, the polygraph functions and the investigative functions under different managers, a management concept abandoned ten years ago in favor of the current philosophy.

- Increase the number of subordinates reporting directly to the Office Director.

- Not necessarily reduce the number of reviews of derogatory cases within the clearance processing cycle.

- Not increase work efficiency nor reduce the manning tables.

4. Each of the options satisfies the apparent underlying desire of the Inspector General to reorganize the Directorate of Personnel Security and Investigations in order to correct a perceived inequity in the size of that Directorate compared to the other functional Directorates. On balance, I remain convinced that the present organizational structure is logical, managerially sound, and sufficiently flexible to accommodate any changes that time, technology, and the Agency mission may dictate. There are several factors which support the status quo:

- It is workable, orderly and functional.

- All personnel security functions, including the investigative process and polygraph are the responsibility of a single manager.

- Present structure results from intensive senior officer study in 1973 which was reaffirmed in 1979.

- It reduces the number of managers reporting directly to the Office Director.

- The Deputy Director for Personnel Security and Investigations is not overburdened.

- A realignment of the Personnel Security and Investigations Directorate would not necessarily reduce clearance processing time nor reduce the number of reviews of a derogatory case.

- Personnel are comfortable with current structure. Any major reorganization would cause at least a temporary disruption and a loss of momentum in the Office.

4

- Current structure can accommodate desired changes such as upgrading the status of Polygraph Division or the Information Systems Security Group.

- New office automated information handling techniques, now on the horizon, may necessitate some organizational changes in the future.

5. To conclude, we find the basic structure works well. We have, however, made organizational changes within the Personnel Security and Investigations Directorate.

- We have upgraded the Polygraph Branch to the status of a Division, with the Chief of the Division designated as an SIS officer.

- We have reorganized the Security Support Division and included the Reinvestigations Branch as part of this Division. The Chief of the Division holds SIS rank.

- We have reorganized the Clearance Division to redistribute the workload and increase efficiency. The Chief of the Division is a member of the SIS.

As stated above, I am aware that technology or a shift in tasking may necessitate some organizational changes in the future and I will have no reluctance to effect appropriate innovation. In this connection, the Office structure will be reviewed on a yearly basis and full consideration will be given to any recommendations resulting from the ongoing Position Management and Compensation Division audit.

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Attachments
    Four organizational
    options charts

Distribution:
        Orig - Adse
            1 - D/Sec
            1 - OS Reg
            ① - PPG Chrono
OS/P&M/PPG[   ]cbt
29 March 82

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Next 3 Page(s) In Document Denied

UDA 82-0024/22

ATTACHMENT 2

2 APR 1982

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Executive Director

FROM: Harry E. Fitzwater
                  Deputy Director for Administration

SUBJECT: Inspector General's Report on the Office of Security

REFERENCE: Memo to DDCI from DDA, dtd 31 Mar 82, same Subject

     At my request (and in accordance with Recommendation #1 of the Inspector
General's report on the Office of Security), the Director of Security has
submitted several options regarding the realignment of security functions. I
have reviewed all of the options presented and I concur with the Director of
Security's conclusion that no security functions be realigned at this time.
You should be aware that, during 1981, three major organizational changes were
effected within the Office of Security (the Polygraph Branch was upgraded to
Division status, and the Security Support Division, as well as the Clearance
Division, was reorganized). Further, the Position Management and Compensation
Division (PMCD) is presently conducting a complete audit of the Office of
Security, which will include a review of the organizational structure and
functional responsibilities. PMCD's report will be submitted in October 1982.
In view of the foregoing factors, I recommend that no actions be taken regard-
ing realignment of security functions until we have had an opportunity to
review PMCD's recommendations.

25X1

                                        Harry E. Fitzwater

CONCUR: BUT TEND TOWARDS
REORG OF SECURITY - I CAN WAIT UNTIL OCT 82

25X1

                                        13 MAY 1982
                                        Date

APPROVED:

_____
Deputy Director of Central Intelligence   5/13/82   Date

CS REGISTRY

OS POSITION MANAGEMENT ISSUES

Recommendation: The Personnel Security and Investigations
(PSI) area encompasses approximately [   ] positions and consists
of the Clearance Division, Security Support Division, Polygraph
Division, Field Offices, and the Security Analysis Group. The
Polygraph Division was previously a branch in the Security Support
Division and has been elevated to the Division level. While
PSI is a large entity, we do not recommend that it be split into
additional directorate level units because all of the division
functions are interrelated within the personnel clearance
process. We suggest that OS consider establishing another
position at the DC/PSI level. With this additional position,
OS would have two positions which could provide more individual
attention to the adjudicative and investigative processes under
the one umbrella of PSI.

Recommendation: Many SDO's are on their first Agency
assignment and are unfamiliar with the Agency and its components.
Concerns have been raised that emergency and sensitive issues
directed at this office should not be entrusted in inexperienced
personnel. We share that concern and have changed the grade
structure in this office from [   ] GS-11 and [   ] GS-9 positions
to [   ] GS-11 and [   ] GS-9 positions to allow for assignment
of more experienced people without creating PRA situations.

Recommendation: Of the four files/registry areas in OS,
the Policy and Plans Registry and the Communications Section of

the Security Records Division could be merged for more efficient operation. The Polygraph and the SCI arenas should remain separate because of their sensitivity.

Recommendation: The Systems Section and the Identification Section (Badge Office) be combined into a single section. Both sections are tasked to operate and update CENBAD computer systems associated with the badge machines and can assist each in times of peak workload.

Recommendation: The Information Systems Security Group (ISSG) is currently organized into two branches (Programs Development and Operations Evaluation). All of the officers are responsible for conducting system security inspections as well as for partici- pating in ISSG policy development. PMCD recommended that a policy coordinator be established in the Office of the Chief and that the remainder of the office be aligned by functional area; i.e., Agency and Community Systems and Contractor Systems. OS intends to provide sufficient resources primarily to policy development and feels a third Policy and Training Branch is warranted. PMCD concurs with this effort.

Recommendation: Position AZ0S8 in SRD/CS is now an F2 position with two separate and distinct functions. One is to operate the TWX in the Communications Section and the other is responsible for the control of the flow of processing case files within SRD. The F2 position should be separated into two positions with the TWX operation function to remain in the Communications Section and the file control function to be transferred to the Processing Section.

Recommendation: All Logistics positions be combined administratively in one staff under DDP&M.

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1. EO/DDA		14/9
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3. ADDA		14
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5. DDA		14 SEP 1982

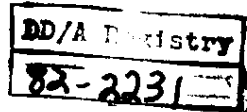|		
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DD/A Registry
82-2231

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Office of Security Organization

FROM:	EXTENSION	NO.	25X1
Director of Security 4E-60 Headquarters		DATE 13 SEP 1982	25X1

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. DDA 7D-18 Headquarters				The attached has been prepared as you requested. It is our best shot at a defense of our current Office organization.
2.				
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2.	ADDA For Action	13 Sep	(has seen)
3.	EO/DDA	✓	13 SEP 1982
4.			13 SEP 1982
5.			

Action		File		Note and Return
Approval		File		Note and Return
As Requested		For Clearance		Per Conversation
Circulate		For Correction		Prepare Reply
Comment		For Your Information		See Me
Coordination		Investigate		Signature

REMARKS   Justify

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12	Compt					
13	D/EEO					
14	D/Pers					
15	D/OEA					
16	C/PAD/OEA					
17	SA/IA					
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19	C/IPD/OIS					
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SUSPENSE _____
Date

Remarks:

Any comments p/o to
ASAP

Executive Secretary
7/13/82
Date

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